GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3906
ANSWERED ON:24.03.2017
Benami Transactions
Ahlawat Smt. Santosh;Bhatt Smt.Ranjanben;Reddy Shri Konda Vishweshwar

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has identified a large number of Benami transactions and has registered a number of cases;
(b) if so, the number of benami transaction cases registered, punitive action taken against the offenders along with the number of properties attached during the last three years and the current year;
(c) whether the Government proposes to set up empowered institutions for efficient implementation of Benami Transactions Act; and
(d) if so, the details thereof and the steps taken by the Government in this regard?

Answer

MINISTER OF STATE FOR FINANCE
(SHRI SANTOSH KUMAR GANGWAR)

(a) & (b): Though the Benami Transactions (Prohibition) Act, 1988 has been on the statute book since more than 28 years, the same could not be made operational because of certain inherent defects. With a view to providing effective regime for prohibition of benami transactions, the said Act was amended through the Benami Transactions (Prohibition) Amended Act, 2016. The amended law empowers the specified authorities to provisionally attach benami properties which can eventually be confiscated. Besides, if a person is found guilty of offence of benami transaction by the competent court, he shall be punishable with rigorous imprisonment for a term not less than one year but which may extend to 7 years and shall also be liable to fine which may extend to 25% of the fair market value of the property.
The Benami Transactions (Prohibition) Amendment Act, 2016 came into effect from1st November, 2016. Several benami transactions have been identified since the coming into effect of the amended law. Show cause notices for provisional attachment of benami properties have been issued in 140 cases involving properties of the value of about Rs. 200 crore. Out of these, provisional attachment has already been effected in 124 cases. The benami properties attached include deposits in bank accounts and immovable properties.
(c) & (d): The Government has put in place empowered institutions for efficient implementation of the amended law. In exercise of powers conferred under sub-section (2) of section 28 read with section 59 of the amended Prohibition of Benami Property Transactions Act, 1988, vide Notification No. SO 3290E, dated 25.10.2016 the Central Government has notified specified Income-tax authorities to act as Initiating Officer, Approving Authority and Administrator in respect of benami transactions. Further, vide Notification No. SO 3288E, dated 25.10.2016, the Adjudicating Authority has been notified.
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